# GOVERNMENT OF INDIA
# LABOUR AND EMPLOYMENT
# LOK SABHA

UNSTARRED QUESTION NO:1284
ANSWERED ON:26.11.2007
EXPLOITATION OF EMPLOYEES BY BANKING AND INSURANCE COMPANIES
Mehta Shri Bhubneshwar Prasad

**Will the Minister of LABOUR AND EMPLOYMENT be pleased to state:**

(a) whether the domestic, foreign banking and insurance companies are hiring the people without any contact and thus exploiting them;

(b) if so, the details thereof and the reaction of the Government thereto;

(c) whether the such employees engaged in marketing of their products are covered under the purview of labour laws;

(d) if so, the details of the banking and insurance companies found guilty of exploiting of such employees; and

(e) if not, the reasons therefor?

## Answer

MINISTER OF STATE (INDEPENDENT CHARGE) OF THE MINISTRY OF LABOUR AND EMPLOYMENT (SHRI OSCAR FERNANDES)

(a) to (e): As per the report received from Ministry of Finance, only licensed intermediaries like agents and brokers can deal with canvassing and sale of insurance products. Some banks also have been licensed as Corporate (Insurance) Agents. The Insurance Regulatory and Development Authority (IRDA) takes cognizance of any complaints against insurance companies for use of unlicensed intermediaries and takes appropriate action. So far, there has not been any established instance of any insurance entity licensed by IRDA, of being found guilty of exploiting customers by use unlicensed intermediaries.